(c) The State Governments of Tamil Nadu, Andhra Pradesh, Himachal Pradesh, Rajasthan, Chhattisgarh, Jharkhand and Manipur have introduced contributory pension schemes and intend to join the New Pension System (NPS).

(d) and (e) The new restructured defined contribution pension system is mandatory for all new Central Government recruits (except the Armed Forces, in the first stage) with effect from 1st January, 2004. The NPS will be available, on a voluntary basis, to all persons including self-employed professionals and others in the unorganised sector. However, mandatory programmes under the Employees' Provident Fund Organisation (EPFO) and other special provident funds will continue under the respective Acts governing these funds.

(f) The monthly contribution is 10 per cent of the salary and Dearness Allowance to be paid by the employee and matched by the Central Government, in respect of government employees. The NPS envisages that contributions will be invested by pension funds in accordance with investment guidelines specified by the pension regulator. Subscribers would have a choice of multiple pension funds and schemes.

Autonomy to Public Sector Banks

2229. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Public Sector Banks have been granted more managerial and operational autonomy;

(b) if so, the details thereof and the reasons therefor;

(c) whether it would allow Public Sector Banks to hire talent from the universities and business schools directly without seeking Government approval; and

(d) to what extent will Public Sector Banks be able to match the remuneration offered by Private Sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. After due consideration a package on Management and Operational Autonomy to Public Sector

Banks has been announced on 22 02 2005. These autonomy measures *inter alia* include the following:—

(i) Pursue new lines of business as part of overall business strategy

(ii) Make suitable acquisition of companies or business, close/merge unviable branches, open overseas offices, set up subsidiaries and exit a line of business.

(iii) Decide all human resource issues relating to the bank, including staffing pattern, recruitment, placement, transfer, training, promotions, etc.

(iv) Prescribe standards for categorization of branches, based on volume of business and other relevant factors.

(v) Prescribe essential academic qualifications, minimum qualification standards and modalities of promotion/recruitment to various categories.

(vi) Undertake visits to foreign countries to interact with investors, depositors and other stakeholders.

(vii) Lay down policy of accountability and responsibility of bank officials and take action against erring bank officials in conformity with such policy. The policy framework should provide for stringent punishment for all malafide actions but, at the same time, recognize that *bona fide* errors do occur while making decisions relating to commercial judgment.

(c) Yes, Sir.

(d) Banks have been granted autonomy to decide remuneration to officers and staff to attract best talent for their organizations.

New bank's branches in Nagaland

2230. SHRI T.R. ZELIANG: Will the Minister of FINANCE be pleased to state:

(a) the number of new branches of nationalized banks proposed to be set up in rural areas of Nagaland during the years 2004-05 and 2005-06; and